

## Message Text

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15

ORIGIN NEA-13

INFO OCT-01 ISO-00 PM-07 NSC-10 SPC-03 SAM-01 SS-20 RSC-01

CIAE-00 INR-10 NSAE-00 L-03 AID-20 H-03 MC-02 IGA-02

EB-11 OMB-01 TRSE-00 PRS-01 EUR-25 /134 R

DRAFTED BY OSD/ISA:CWQUINN/ NEA/GRK:LRGEORGE:PR

APPROVED BY NEA:RPDAVIES

NEA/GRK:GTCHURCHILL

PM/ISO: COL. FLEMINGS (DRAFT)

T:GSNEWMAN (DRAFT)

PM/SAS:WHLEWIS (DRAFT)

PM/PA:DJJAMES(DRAFT)

S/S - MR. LUERS

----- 009995

R 302217Z JAN 74

FM SECSTATE WASHDC

TO AMEMBASSY ATHENS

CHJUSMAAG ATHENS GREECE

INFO USAFE

COMSIXTHFLT

SECDEF WASHDC

CNO

CSAF

USCINCEUR VAIHINGEN GER

CINCLANT NORFOLK VA

CINCUSNAVEUR LONDON

COMFAIRMED NAPLES ITALY

JCS

COMFAIRMEDREP ATHENS GREECE

C O N F I D E N T I A L STATE 020093

JOINT STATE/DEFENSE MESSAGE

E.O. 11652: GDS

TAGS: MARR, MCAP, MASS, US, GR

SUBJEC: U.S. FACILITIES AND MILITARY ASSISTANCE

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REF: A) ATHENS 301; B) ATHENS 224; C) CHJUSMAG 081130Z  
JAN 74; D) STATE 7186; E. USCINCEUR 151236Z JAN 74;  
F) ATHENS 332; G) USCINCEUR 092324Z JAN 74

1. WITH DEADLINE PROBLEM RESOLVED FOLLOWING AMBASSADOR TASCAS SUCCESSFUL DEMARCHE TO GREEK FOREIGN MINISTER (REF A), AND WITH NEGOTIATIONS FORMALLY BEGUN AT GOVERNMENT-TO-GOVERNMENT LEVEL (REF F), WE CAN HOPE DISCUSSIONS ON SOUDA BAY ARRANGEMENTS WILL PROCEED IN ORDERLY FASHION. GIVEN PRESENT COOPERATIVE ATMOSPHERE, WE BELIEVE FURTHER APPROACHES TO GOG AT CABINET LEVEL ON THESE NEGOTIATIONS (REF B) SHOULD BE HELD IN ABEYANCE AT THIS TIME, BUT SHOULD BE RECONSIDERED LATER IF IT APPEARS THAT OTHER SEVERE OBSTACLES TO PROGRESS ARE ARISING.

2. WE NOTE AND REGRET THAT GOG IS CLOSELY LINKING SOUDA BAY AND PHASE II OF HOMEPORTING IN NEGOTIATIONS (REF F) EVEN THOUGH SHAFB (REF G) HAD PREVIOUSLY AGREED THAT NO CORRELATION BE MADE BETWEEN USE OF SOUDA AND HOMEPORTING. HOWEVER, WE CONTINUE TO HOPE THAT THE SOUDA BAY AGREEMENT CAN BE NEGOTIATED WITHOUT REFERENCE TO HOMEPORTING.

3. WE REMAIN STRONGLY OPPOSED TO PROVIDING EXPLICIT QUID

TO NATO ALLY FOR U.S. USE OF FACILITIES SERVING THE COMMON DEFENSE. INsofar AS POSSIBLE WE WISH TO DISCOURAGE DEVELOPMENT OF A "BASE RIGHTS MENTALITY".

4. AT DISCRETION OF AMBASSADOR, GREEK CIVILIAN AND MILITARY OFFICIALS AT APPROPRIATE LEVELS SHOULD BE INFORMED THAT IT WOULD BE UNREALISTIC TO EXPECT A RESUMPTION OF U.S. GRANT-AID. FACTORS THAT ADMINISTRATION MUST CONSIDER IN LOOKING AT GRANT-AID PROGRAM INCLUDE:

- A. GLOBAL LIMITATION ON U.S. GRANT-AID FUNDS;
  - B. CERTAINTY THAT ATTEMPT TO RE-OPEN GRANT PROGRAM FOR GREECE WOULD ELICIT HOSTILE CONGRESSIONAL RESPONSE;
  - C. LIKELIHOOD THAT ADVERSE CONGRESSIONAL REACTION WOULD OVERFLOW INTO OTHER ASPECTS OF GREEK-U.S. RELATIONS;
  - D. GREEK UNILATERAL RENUNCIATION OF MAP IN 1973,
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AND CONSEQUENT ACCEPTANCE HERE OF GREEK STATUS AS MAP "GRADUATE." FACT THAT PRESENT GREEK LEADERSHIP APPARENTLY REPUDIATES PAPADOPOULOS GOVERNMENT'S RENUNCIATION OF MAP DOES NOT MATERIALLY AFFECT THIS SITUATION.

5. FMS PROGRAM WILL, OF COURSE, CONTINUE AND OFFERS SOME POSSIBILITY FOR FLEXIBILITY IN MEETING GREEK NEEDS. STATUS OF FMS CREDITS FOR GREECE IS AS FOLLOWS:

A. CREDIT JUSTIFICATION FOR FINAL TRANCHE (DOLS 50 MILLION) OF F-4 PURCHASE IS BEING PROCESSED AS RAPIDLY AS POSSIBLE. YOU WILL BE NOTIFIED WHEN PROPOSED FMS CREDIT AGREEMENT IS READY FOR PRESENTATION TO GOG.

B) IN ITS REQUEST TO CONGRESS FOR SECURITY ASSISTANCE FUNDS FOR FY 74, ADMINISTRATION ASKED FOR DOLS 65 MILLION FOR FMS CREDITS FOR GREECE. CONGRESSIONAL CUTS IN PROPOSED ASSISTANCE APPROPRIATIONS NECESSITATE REDUCTIONS IN PLANNED LEVELS OF FMS CREDITS WORLDWIDE. IT IS THEREFORE UNCERTAIN AT THIS TIME HOW MUCH, IF ANY, FMS CREDIT CAN BE MADE AVAILABLE TO GREECE ABOVE THE DOLS 50 MILLION FOR F-4S.

C) DEPENDING ON GOG DESIRES, UNUTILIZED DOLS 15 MILLION IN FY 72 FMS GUARANTEED CREDITS EARMARKED FOR HELLENIC AIRCRAFT INDUSTRY (HAI) MIGHT BE USED IMMEDIATELY FOR OTHER MUTUALLY AGREED PRIORITY REQUIREMENTS.

D) (FYI - THE FY 75 BUDGET SUBMISSION RECENTLY APPROVED BY THE PRESIDENT IS BASED ON PLANNING FIGURES WHICH INCLUDE DOLS 71 MILLION IN FMS CREDITS FOR GREECE. END FYI.)

6. WHILE WE CANNOT ACCEPT CONCEPT OF QUID PRO QUO, WE REMAIN PREPARED TO OFFER ASSISTANCE WITHIN OUR MEANS TO HELP GREEKS SATISFY LEGITIMATE MODERNIZATION REQUIREMENTS. BEFORE INTRODUCING A NEW AIRCRAFT TYPE HAF SHOULD CAREFULLY CONSIDER FOLLOWING FACTORS: F-4 COMBAT READINESS SHOULD BEGIN TO SHOW PROGRESS BY LATE 1974; FUTURE POSSIBILITY EXISTS THAT HAF COULD ACQUIRE F-5S FROM THIRD COUNTRY SUCH AS IRAN OR SPAIN; HAF MIGHT FIND IT COST-CONFIDENTIAL

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EFFECTIVE TO HIRE TECHNICAL REPRESENTATIVES TO IMPROVE MAINTENANCE OF F-102 FIRE CONTROL SYSTEMS, PLUS PROBABLY AIRFRAME AND ENGINE; HAF CONTINUES SUCCESSFUL OPERATION OF F-104 AIRCRAFT, WHICH EIGHT OTHER COUNTRIES USE IN MEETING NATO FORCE COMMITMENTS; HAF INTRODUCTION OF STILL ANOTHER WEAPON SYSTEM, SUCH AS A-4, MIGHT DETRACT FROM F-4 CONVERSIONS JUST BEGINNING, AND COULD COMPLICATE HAF SUPPLY/MAINTENANCE/ORGANIZATIONAL PROBLEMS. ALTHOUGH WE DO NOT HAVE AN OFFICIAL REQUEST FROM THE HAF FOR COST AND OTHER DETAILS OF ANY NEW AIRCRAFT TYPE SUCH AS A-4, PROGRAM OF THIS KIND WOULD REQUIRE CAREFUL ASSESSMENT OF FMS AND GREEK FOREIGN EXCHANGE AVAILABILITIES, AND OTHER PERTINENT FACTORS. WHILE FINANCING PROBLEMS MIGHT BE ALLEVIATED WITH SOME TYPE OF MULTI-YEAR PROGRAM SIMILAR TO F-4 ARRANGEMENTS, MULTI-YEAR COMMITMENTS HAVE SIG-

NIFICANT DISADVANTAGE OF REDUCING OUR FLEXIBILITY IN  
ALLOCATING FMS RESOURCES WORLDWIDE AND SHOULD THEREFORE  
NOT BE ENCOURAGED BY USG REPRESENTATIVES. INITIATIVE  
AND DECISION ON PROGRAM OF THIS KIND MUST, OF COURSE,  
BE MADE BY GREECE WITH FULL CONSIDERATION OF ITS NATO  
COMMITMENTS AND OTHER HELLENIC MILITARY SERVICE MODERNIZA-  
TION REQUIREMENTS.

7. (FYI) IF GREEKS PERSIST IN WANTING NEW AIRCRAFT  
TYPE, THERE MAY BE OPPORTUNITY TO PROMOTE PARTIAL SOLUTION  
TO HAF MODERNIZATION PROBLEMS THAT IS COMPATIBLE  
WITH OUR INTERESTS BY COUPLING HAF AIRCRAFT REQUIREMENT  
WITH PRESENTLY MORIBUND HAI PROPOSAL. IN DISCUSSING  
THIS SUBJECT WE COULD STRESS END PRODUCTS I.E., A LIKE-  
NEW ATTACK AIRCRAFT (UPDATED A-4) CONFIGURED TO HAF  
SPECS AND A VALUABLE INDUSTRIAL FACILITY ABLE TO PROVIDE  
IN-DEPTH TECHNICAL BACKING FOR HAF. A MAJOR ELEMENT  
OF THIS OPTION MIGHT BE GOG PURCHASE OF SUITABLY PRICED  
(DOLS 26,750 EACH) A-4C AIRCRAFT AS RAW MATERIAL. SINCE  
WE UNDERSTAND THAT BOTH LOCKHEED AND AUTOMATION HAVE HAI  
PROPOSAL BEFORE GREEKS, AND SINCE USG MUST NOT FAVOR ONE  
U.S. CONTRACTOR OVER ANOTHER, CAUTION MUST BE USED IN  
ANY DISCUSSION OF LINKAGE BETWEEN AIRCRAFT PROGRAM AND  
HAI. WE NOTE THAT LOCKHEED HAS PROVEN COMPETENCE IN

REWORK OF A-4C'  
E E E E E E E

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MILITARY ASSISTANCE, FIGHTER AIRCRAFT, MILITARY BASE AGREEMENTS, PORT FACILITIES, NEGOTIATIONS, MILITARY SALES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 30 JAN 1974  
**Decaption Date:** 01 JAN 1960  
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**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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**Errors:** N/A  
**Film Number:** n/a  
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**Line Count:** 190  
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